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NINTH MINISTERIAL MEETING OF THE GROUP OF 77 AND CHINA

DRAFT BANGKOK CONSENSUS

Note by the UNCTAD secretariat

The attached document is circulated at the request of H.E. Mr. Nacer Benjelloun-Touimi, Permanent Representative of Morocco to the United Nations Office at Geneva, in his capacity as Chairman of the Group of 77 Preparatory Committee for UNCTAD X and representative of the host country of the Ninth Ministerial Meeting of the Group of 77 and China, held in Marrakech, Morocco, from 13 to 16 September 1999.

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Transmittal note

Dear Mr. President,

As you will certainly recall, the Ninth Ministerial Meeting of the Group of 77 and China, held in Marrakech from 13 to 16 September 1999, decided to mandate the Preparatory Committee of the Group of 77 in Geneva to enter into discussions and negotiations with other regional groups and countries on the basis of the Plan of Action (PC/77(IX)/1) and the draft Bangkok Consensus (PC/77(IX)/2), bearing in mind the views expressed during the Ninth Ministerial Meeting.

In my capacity as Chairman of the Preparatory Committee and representative of the host country for the Ninth Ministerial Meeting, I have the honour to inform you that the Committee has now completed its review of the two texts in question in the light of the Marrakech Ministerial decision and has decided that these texts, as revised by the Committee, should be transmitted to the Preparatory Committee of the Whole to be established by the Board, with the request that the latter consider using them as the basis for the pre-conference text for UNCTAD X.

I would therefore be grateful if these texts could be issued as official documents of the Preparatory Committee of the Board and that the Committee should be informed of the request of the Preparatory Committee of the Group of 77 and China.

Please accept, dear Mr. President, the assurances of my very highest consideration.

Nacer Benjelloun-Touimi
Permanent Representative of Morocco
Chairman of the G-77 Preparatory Committee for UNCTAD X

His Excellency Mr. Chak Mun See
Ambassador
Permanent Representative of Singapore to the
United Nations Office at Geneva
President of the Trade and Development Board

DRAFT BANGKOK CONSENSUS

We, the States members of the United Nations Conference on Trade and Development (UNCTAD), gathered in Bangkok, Thailand, for the tenth session of the Conference,

Recognizing that globalization can be a powerful and dynamic force for equitable economic growth and development,

Reviewing the experiences and lessons learned from the impact of globalization on the world's economic growth and development since UNCTAD IX, in particular the Asian financial crisis, which has had far-reaching negative effects on trade and economic growth,

Realizing that globalization provides not only challenges and opportunities but also risks if not properly harnessed and managed,

Convinced of the need to adopt and pursue new development strategies to manage the globalization process in such a way as to prevent the adverse effects of globalization and benefit all countries - developed and developing alike,

Agree and declare as follows:

Globalization and its developmental impacts

1. The last decade of the twentieth century has shown that the difficulties involved in harnessing the processes of liberalization and globalization for the benefit of all have been underestimated. As a result, the new opportunities for growth and development which have been created have remained beyond the grasp of many countries. The Asian financial crisis further highlighted the limitations of the current system, even affecting the more advanced developing countries and seriously undermining hard-won development gains. Disparities in the distribution of wealth and income have risen further both within and among countries.

2. Globalization provides not only challenges but also opportunities for developing countries. If properly managed, it can be a powerful and dynamic force for equitable growth and development. This is possible because globalization is an ongoing process and, as such, is amenable to change. The incipient emergence of countries in South-East Asia from a crisis that has seriously affected their social fabric and their production base bears useful lessons in this regard. Three in particular stand out: the return to stability and growth has not been the result of a unique formula; the severe economic and social consequences of the crisis have highlighted the need to strengthen institutional structures at the international and national levels; and corrective domestic policies have to be complemented by resolute international support measures.

The way forward

3. The community of nations, at the dawn of a new millennium, should rethink the mechanisms and policies that underpin the functioning of the global economy. This reflection should aim at increasing the coherence and achieving a balance in the world economic system so that it can offer all peoples everywhere meaningful opportunities to raise their living standards. Recent experience suggests that three objectives in particular must be pursued: getting markets to function efficiently; ensuring an equitable distribution of the costs and benefits of growth; and creating a favourable international environment for development.

4. While the market is currently acknowledged to be an efficient mechanism for resource allocation, a development model based strictly on market forces cannot on its own secure developmental objectives. The international community should, therefore, promote the emergence of a new development paradigm whose pillars are growth, stability and equity and which would facilitate the integration of developing countries into a more equitable global economy, with special attention being paid to the needs of the weakest members of the international community. The least developed countries (LDCs) and most countries in Africa remain constrained by weak supply capabilities which, compounded by an unfavourable international economic environment, limit their ability to benefit from globalization. Reversing the dire situation in these countries requires collective commitment and shared responsibility.

Strategies and measures

5. All countries, developed and developing alike, should contribute to the new development paradigm through the implementation of national and international policies and measures, particularly those identified in the Bangkok Plan of Action.

6. At the national level, Governments should put in place policy and institutional frameworks conducive to the promotion of equitable, people-centred development. In particular, they should take necessary measures to create or maintain a stable macroeconomic environment; correct any deficiencies in policies designed to stimulate production, trade and investment; and ensure an appropriate and transparent legal and regulatory framework. Due attention should be given to enhancing the development of the private/business sector. In this regard, the development of the requisite skills to benefit from new, knowledge-based processes should be a priority.

7. Individual countries' own efforts, though vital, are insufficient. Intensified international cooperation, especially in the areas of trade, finance and access to technology and know-how, is also essential. In particular, steps need to be taken to:

- Improve access to markets and ensure full implementation of existing multilateral trade agreements; ensure that further liberalization responds to the priorities of developing countries, precluding any linkage between trade and labour standards; assist developing countries in strengthening their supply capabilities and their capacity to compete and to this end provide them with special and differential treatment; facilitate and streamline the process of accession of all developing countries to the World Trade Organization on terms and conditions commensurate with their level of development;

- Enhance the mobilization of external resources for development; find lasting solutions to the debt problems of developing countries, and bring debt-servicing obligations into line with debt-servicing capacities; reverse the sharp decline in ODA, and move swiftly towards the attainment of UN ODA targets; make appropriate changes in the international financial architecture to ensure greater coherence and the full participation of developing countries in global economic policy-making; develop policies to assist developing countries in attracting and benefiting from foreign direct investment;

- Bridge the technology gap between developed and developing countries by improving access to technology; establish principles and guidelines for the sharing of knowledge and technology for development; help developing countries seize the opportunities presented by information technology and biotechnology; promote home country measures that encourage the transfer of technology to developing countries on concessional and preferential terms; and facilitate human resource development.

8. A prerequisite for a prosperous, peaceful and secure world is true partnership based on solidarity and dialogue. In this perspective, mechanisms for regional and subregional integration have the overall effect of strengthening the multilateral trading system and constitute an important tool for development and for the integration of countries into the global economy. Renewed efforts should be made to support and enhance the effectiveness of these mechanisms.

9. On a broader front, meaningful partnership requires more inclusive and democratic institutional arrangements for international economic decision-making which would ensure that the benefits of globalization are accessible to all on an equitable basis. In addition, as the success of international development efforts depends on account being taken of all stakeholders in a globalizing world economy, enhanced cooperation with the private sector, NGOs and the academic world should also be sought whenever appropriate.

UNCTAD's engagement

10. As the principal forum of the United Nations for the integrated treatment of development and interrelated issues in the areas of trade, finance, investment, technology and sustainable development, UNCTAD is expected to make a substantial contribution to the pursuit of the international community's common development objectives. The significance of this role is accentuated by asymmetries arising from globalization and their consequent impacts on development, trade and finance. UNCTAD's contribution should be centred on three main issue areas: the dynamics of globalization, interdependence and development; trade and development; and investment and development. Work in these areas will continue to be delivered through: research and policy analysis; consensus-building; and the provision of policy advice and technical assistance aimed primarily at capacity-building. UNCTAD should also work on the development of appropriate guidelines and principles on emerging economic issues.

11. Through these multifaceted but integrated activities, UNCTAD should contribute to ensuring the overall coherence of the global economic system and to making it more conducive to fighting poverty, reducing inequality within and among nations, protecting the right of present and future generations to the preservation of the environment, integrating women on an equal

basis, generating employment and integrating the marginalized fully into the global economy. Its work should in all areas give priority to the perspective of development.

12. UNCTAD's developmental role can best be performed in the broader context of the family of development-oriented international and regional organizations and agencies, both within and outside the United Nations system. Cooperation with other international organizations should therefore be further strengthened, with complementarity and coherence as the guiding principles in this regard.

13. Mindful of the potential opportunities and risks inherent in the globalization process, the States members of UNCTAD commit themselves to engage in a true partnership for development designed to promote a dynamic and equitable global economic environment.

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